



Delaware State Treasury

STATE TREASURER CHIP FLOWERS

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Travel Audit Clears State Treasurer Flowers

Report Verifies State Treasurer's Expenses & Disproves False Claims on Travel

DOVER, Del. — On July 30, 2014, the independent Office of the Auditor of Accounts for the State of Delaware released its official audit report (the "Report") of the State of Delaware's purchasing card program that focuses on travel and direct reimbursements for appointed and elected officials. The extensive Report verified that Delaware State Treasurer Chip Flowers used the State of Delaware purchase card only for legitimate business expenses and never made any personal charges. The Report is the result of an extensive and conclusive review undertaken by the Office of the Auditor of Accounts on the purchasing card activity of appointed and elected officials, including the Governor, Secretary of Transportation and the State Treasurer.

Upon the release of the report, State Treasurer Flowers stated, "I am pleased that the Report verified the Treasury's position from the outset, that I have served honorably and my travel has been for legitimate business purposes to serve the People of Delaware. I am grateful the Report found that all my spending, including travel to conferences and meetings, was proper. All reimbursements relating to my travel were received and properly allocated by the Treasury. I am also grateful that the Auditor of Accounts recognized the successful changes made by the Treasury to establish proper oversight for our internal credit card program, and I am hopeful that the recommendations outlined in the Report for other state agencies and those already adopted by the Treasury will be undertaken by the appropriate authorities."

Flowers further stated, "I commend State Auditor Wagner and the members of his staff at the Office of the Auditor of Accounts for conducting a professional, thorough and fair review of the State credit card and travel programs. Despite the serious political pressure surrounding the Report, we are appreciative that his team issued a non-partisan, fact-based analysis – a testament of their level of professionalism and service to the public."

The Report not only supports the Treasury's and the State Treasurer's original comments to the public, but it also disproves claims and misleading statements that have been repeated on numerous occasions by certain media sources, including *The News Journal*. Based on the findings of the Report, the Treasury is warning the public to exercise caution and perform due diligence when reading any information about the Delaware State Treasury and the State Treasurer in *The News Journal*, as the Treasury believes that

information may be presented inaccurately or in a misleading manner in the publication. The public is encouraged to read pages 2, 11 & 12 of the Report.

Treasurer Flowers further stated, "We believe even today's article in the News Journal is misleading and was an intentional effort to mislead the public since the publication was wrong - plain and simple. The Gannett Company has been contacted with a request to remove and replace all individuals assigned to the Treasury, including the paper's investigative editor. Action will be taken. As an elected official, we expect a certain level of attacks from those who resist efforts to improve Delaware. However, when the public is denied the truth by those seeking to promote their own agenda, the People suffer the consequences. As such, it is the responsibility of our government and those who report on our government to ensure that wrongs are righted and the truth prevails - then, and only then, will we achieve our true goal of government of the People, by the People and for the People."

A full copy of the Report can be found on the Delaware State Treasury web site (<http://treasury.delaware.gov>).

About the Delaware State Treasury

The mission of the Delaware State Treasury, the cornerstone of the state's financial system, is to restore economic prosperity to the First State by providing critical financial services for the People of the State of Delaware. Led by Delaware State Treasurer Chip Flowers, the Delaware State Treasury works with public, private and nonprofit organizations to present financial clarity to all Delawareans through its four divisions – Executive Office of the State Treasurer, Office of Finance and Treasury Services, Office of Disbursements and Reconciliations and the Office of Economic Policy. For more information on the Delaware State Treasury, you can visit www.treasury.delaware.gov, send an email to statetreasurer@state.de.us, or call 302-672-6700.